

Gordon Lyons MLA  
Minister for Communities  
Department for Communities  
Causeway Exchange  
1-7 Bedford Street  
Belfast  
BT2 7EG

19 April 2024

Dear Minister,

**The Universal Credit (Administrative Earnings Threshold) (Amendment) Regulations 2024**

The Secretary of State for Work and Pensions has today published the Social Security Advisory Committee's advice and recommendations on the above regulations. These regulations will raise the Administrative Earnings Threshold (AET) to a monthly figure equivalent to 18 hours earnings per week at the National Living Wage (NLW) for individual claimants and to the monthly figure equivalent to 29 hours earnings per week at NLW for couples from April 2024. The AET defines the intensity of the conditionality regime a claimant is put into, i.e., the actions a claimant must undertake as a condition for receiving Universal Credit and the level of support the claimant receives. This increase is the third in quick succession.<sup>1</sup>

Our recommendations are designed to ensure that the policy not only achieves its intended outcomes to the fullest degree but also minimises negative impacts on claimants, particularly those in vulnerable situations. I am sharing a copy of the full report with you but wanted to highlight two specific issues that have particular relevance to Northern Ireland.

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<sup>1</sup> The AET was raised to an individual threshold equivalent to 12 hours per week at the NLW, and a couple's rate equivalent to 19 hours per week at NLW, from 26 September 2022. This was further increased to the current rate of 15 and 24 hours from 30 January 2023. These previous changes to the threshold were introduced by *The Universal Credit (Administrative Earnings Threshold) (Amendment) Regulations 2022* and *The Universal Credit (Administrative Earnings Threshold) (Amendment) Regulations 2023*

The Committee is of the clear view that, in ensuring the proposals are delivered effectively, there will need to be more work done to ensure that adequate wider support is in place, for example:

### *Childcare*

Many parents cannot work without reliable childcare. Hence, efforts to increase earnings need to be aligned with securing access to affordable childcare for additional hours.

The availability and cost of childcare can vary significantly across geographic locations. In areas where childcare is particularly scarce and expensive, even with the 30 hours free childcare provided, parents can find it difficult to increase their hours due to a lack of available childcare spaces, a particular challenge for parents trying to find childcare spaces for multiple children.

Caring responsibilities as a barrier can become acute in intersectional cases, for example, parents of disabled children might find cost and availability of specialist child-care particularly expensive and scarce.

The report also observes that childcare provision is not administered uniformly throughout the UK, noting that, in Northern Ireland, no such provision currently exists for those aged two, and that considerably fewer hours of support is available to three- and four-year-olds.

**We therefore recommend the Department for Communities (NI) should exempt lead carers from the increased AET threshold while Northern Ireland's childcare strategy is being developed and implemented by the Northern Ireland Assembly.**

### *Employer Support*

Employer adaptation is essential. In our engagement with operational staff, we heard about employers whose understanding of the working tax credits and Universal Credit rules was out of date. Working tax credits has played a role in creating a working culture of 16-hour weekly employment contracts. An effective communication strategy and programme of support for employers in changing that is needed. We understand that significant outreach activity is currently taking place with big employers to start the upskilling process. We welcome that but consider it essential to explore what more can be done to go further still, especially with a wide range of employer types.

**With that in mind, we recommend that the Department for Communities (NI) should consider what further steps it needs to upskill employers on providing support, such as offering work suitable for those with a health condition and offering family-friendly hours, and how they will evaluate to success of that activity.**

I would very much welcome an early response to these recommendations. I would, of course, be happy to discuss any aspect of this letter - or our broader report - further if that would be helpful.

A copy of this letter goes to Colum Boyle, Paddy Rooney and David Tarr.

Yours,

A handwritten signature in black ink, appearing to read 'Stephen Brien'.

Dr Stephen Brien  
Committee Chair